

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

House Bill 96 (Chairman, Economic Matters Committee)  
 (Departmental - Labor, Licensing, and Regulation)

Economic Matters

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**State Commission of Real Estate Appraisers - Real Estate Appraiser Trainees -  
 Creation of License**

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This departmental bill establishes a Real Estate Appraiser Trainee license to be issued by the State Commission of Real Estate Appraisers. The license is valid for three years and may be renewed for one additional three-year period. The application fee will be set by the commission and the renewal fee will be \$75. An applicant for a trainee license must meet specified education requirements and is authorized to provide certain real estate appraisal services only under the “supervision” of a “supervising appraiser.”

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**Fiscal Summary**

**State Effect:** General fund revenues could increase by \$15,000 and general fund expenditures could increase by \$83,000 in FY 2001. Out-year revenue estimates are based on expected new applicants and renewals and the biennial licensing cycle. FY 2001 expenditures are largely due to a one-time \$75,000 computer system upgrade. Out-year expenditures mainly reflect mailing costs.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$15,000	\$7,500	\$7,500	\$15,000	\$11,250
GF Expenditures	83,000	5,000	2,000	2,000	2,000
Net Effect	(\$68,000)	\$2,500	\$5,500	\$13,000	\$9,250

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** There are education and experience requirements to become a certified real estate appraiser, but there are no formal guidelines governing the progress of an individual from trainee to full certification.

**Background:** This bill formalizes many current practices and provides a framework for regulating and monitoring real estate appraisers as they progress from trainee to full certification. It provides a method to control the quality and quantity of those being certified as real estate appraisers. DLLR advises that Maryland is one of the last states in the country to adopt a formal trainee program.

**State Fiscal Effect:** It is estimated that 200 new licenses will be issued in fiscal 2001. Based on a DLLR estimated \$75 license fee, revenues could increase by \$15,000. Out-year general fund revenues will initially fall into a three-year cycle as the initial licensees seek renewals. It is estimated that 50% of licenses will be renewed when they expire. In fiscal 2001 all trainees will be licensed; in the out-years it is estimated that only 100 new trainees will be licensed a year.

There would be one-time expenditures of \$75,000 for updating the computer system and \$5,000 for printing the new forms. Mailing expenses will be \$2,500 in fiscal 2001. In the out-years, expenditures would be composed mostly of mailing costs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; State Commission of Real Estate Appraiser; Anne Arundel Community College; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2000  
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